FOR IMMEDIATE RELEASE Wednesday, February 17, 2010

MISSISSIPPI AWARDED \$20 MILLION FEDERAL GRANT FOR RAILROAD IMPROVEMENTS FROM PORT OF GULFPORT

Jackson, Mississippi – Governor Haley Barbour announced today that Mississippi has received a \$20 million federal grant that will help fund railroad improvements from the Port of Gulfport to Hattiesburg, a major step for the Mississippi economy.

"I personally thank Transportation Secretary Ray LaHood and the Obama Administration for giving favorable consideration to and recognizing the importance of the Gulf ports, such as the Port of Gulfport, to international commerce. Once the Panama Canal's expansion is completed and open to shipping, our Gulf ports will fill a vital need if we have sufficient intermodal surface transportation. This grant is a big step in that direction," Governor Barbour said.

The grant, awarded by the U.S. Department of Transportation, will partly fund improvements along 67.5 miles of Kansas City Southern Railroad track between the Port of Gulfport and north to Hattiesburg. In Hattiesburg, the KCS line connects with the Norfolk Southern line that continues into the Northeast U.S. and then connects to networks serving the entire eastern U.S. Also in Hattiesburg, the KCS line connects to the Canadian National line that continues into Chicago and Canada.

Funding is through the American Recovery and Reinvestment Act of 2009, which provided the U.S. Department of Transportation \$1.5 billion to fund transportation projects. The Port of Gulfport competed with other state and local governments for funding from the discretionary program to fund needed rail improvements on the KCS line from Gulfport to Hattiesburg.

Currently, the track can only accommodate 10 mph single stack freight traffic. The project will upgrade the existing line within the existing right of way to 49 mph double stack standards.

If the Port of Gulfport is to grow to its full potential, as it can and should once Panama Canal expansions are complete, this improved rail connection is imperative, Governor Barbour said. The improved rail infrastructure, along with improved road infrastructure and shipping channel expansions, is critical to the Port of Gulfport's

restoration and expansion plan because container activity and new business opportunities are expected to significantly increase as the Port expands.

This project is also a cost effective way to improve quality of life in the communities along the route by relieving road congestion, especially in the City of Gulfport. Highway 49 has been identified as a congestion point and a major cause of costly traffic delays. Currently, 95 percent of container freight imports leave the Port of Gulfport on rubber tires. With container freight traffic expected to grow significantly, relief is needed. The quickest and easiest way to provide relief is to upgrade the existing railroad to improve the business case for potential users.

Improved intermodal infrastructure is critical to a successful restoration and expansion of the Port of Gulfport and critical to continued growth for Hattiesburg as a transportation hub.

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